

Message Text

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PAGE 01 EC BRU 01718 271938Z

70

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 AGR-05 CEA-01 COME-00 EB-07

FRB-03 H-01 INR-07 INT-05 L-02 LAB-04 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 PRS-01

SP-02 FEAE-00 OMB-01 EURE-00 /091 W

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O R 271902Z FEB 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 8376

INFO USMISSION GENEVA

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GENEVA PASS US DELEGATION/MTN

E.O. 11652: N/A

TAGS: ETRD, EEC, GATT

SUBJECT: MTN: SUBSIDIES AND COUNTERVAILING DUTIES

REF: A. EC BRUSSELS 1653

B. STATE 44059

1. BEGIN SUMMARY: A COMMISSION OFFICIAL HAS REITERATED THE COMMISSION'S

DESIRE TO AVOID CONFLICT AND MAKE PROGRESS ON SUBSIDIES AND COUNTER-
VAILING DUTIES. THE COMMISSION IS AWARE OF THE LEGAL REQUIREMENTS
FOR EXERCISE OF DISCRETION IN THE COUNTERVAILING
DUTY LAW. IT FEELS AND HOPES THAT IT MEETS THESE REQUIREMENTS.
END SUMMARY.

2. REFTELS OBVIOUSLY CROSSED, AND SPECIFICS REGARDING COMMUNITY PLANS
FOR NEXT WEEK'S NTB GROUP MEETING ARE REPORTED IN REF A. HOWEVER,
WE ATTEMPTED TO REACH HIJZEN TO CONVEY THE CONTENTS OF REF B. HE
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PAGE 02 EC BRU 01718 271938Z

WAS REGRETTABLY TIED UP IN A MARATHON COMMITTEE OF PERMANENT REP-

REPRESENTATIVES MEETING, AND FIELDING, WHOM WE ALSO TRIED TO REACH, IS ON LEAVE. WE THEREFORE TALKED AGAIN WITH ABBOTT, WHO CAREFULLY NOTED OUR POSITION AND PROMISED TO REPORT IT TO HIS SUPERIORS.

3. ABBOTT REITERATED THAT HE WOULD DO HIS BEST TO AVOID ANY BLOWUP IN NEXT WEEK'S MEETING. HE WILL NOT TAKE THE INITIATIVE IN STATING THE EC POSITION ON TREATMENT OF AGRICULTURAL ASPECTS, BUT COULD BE PROVOKED TO DO SO BY STATEMENTS OF OTHERS OR AN ATTEMPT TO ANNOUNCE THAT A CONSENSUS EXISTS IN FAVOR OF A VIEW DIFFERENT FROM THAT OF THE COMMUNITY.

4. ABBOTT SAID THE COMMISSION IS FULLY AWARE OF THE LEGAL REQUIREMENTS FOR EXERCISE OF DISCRETION IN THE COUNTERVAILING DUTY LAW. IT FEELS THAT ITS WILLINGNESS, AND INDEED INTENTION, TO ENTER INTO EXTENDED WORK ON SUBSIDIES AND COUNTERVAILING DUTIES IN THE PERIOD IMMEDIATELY FOLLOWING THE INITIAL NTB GROUP MEETING MEETS THE REQUIREMENT OF SEC. 303(D)(2)(B). HE IS QUITE READY TO SAY THAT TO COUNTERVAIL WOULD JEOPARDIZE THESE NEGOTIATIONS, THUS MEETING THE REQUIREMENT OF SEC. 303(D)(2)(C). IF IT WOULD BE HELPFUL THE COMMISSION WOULD BE READY TO SAY IT IS PERFECTLY WILLING TO DISCUSS, SPECIFICALLY, SUBSIDIES IN AGRICULTURE. FINALLY, WHILE THE COMMISSION FEELS THAT BY REDUCING THE RESTITUTIONS ON DIARY PRODUCTS IT HAS MET THE REQUIREMENTS OF SEC. 303(D)(2)(A) FOR THAT PARTICULAR CASE, IT ACCEPTS THE FACT THAT THE USG HAS NOT YET SO DETERMINED.

5. ABBOTT NOTED, WITH REGARD TO PARA 4 OF REF B, THAT HE WOULD HOPE THAT PARALLEL PROGRESS ON AGRICULTURAL AND INDUSTRIAL NTBS WOULD MEET THE REQUIREMENT OF SEC. 103 OF THE TRADE ACT THAT AGRICULTURAL NTB ISSUES BE NEGOTIATED "IN CONJUNCTION WITH" INDUSTRIAL NTBS.

6. SUBSEQUENT TO DRAFTING THE FOREGOING WE SUCCEEDED IN REACHING HANNAY, SOAMES' CHEF DE CABINET AND WENT OVER THE ISSUES WITH HIM. WE SAID THAT WHILE DETAILED PRESENTATION HAD BEEN MADE TO ABBOTT, WE WANTED TO ASSURE THAT SOAMES' OFFICE IS ALSO IN THE PICTURE IN LIMITED OFFICIAL USE

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PAGE 03 EC BRU 01718 271938Z

VIEW OF THE POLITICAL IMPORTANCE AND SENSITIVITY OF THE ISSUES INVOLVED. HANNAY TOOK NOTE OF OUR COMMENTS; STATED THE COMMISSION'S STRONG INTEREST IN MANAGING THE NTB DISCUSSIONS IN A MANNER THAT AVOIDS CONFLICT WITH THE US-- WITHOUT, HOWEVER, GIVING UP THE EC POSITION; AND ACKNOWLEDGED IMPLICATIONS OF THE GENEVA NEGOTIATIONS FOR THE COUNTERVAILING ISSUE. HANNAY SAID HE WOULD DISCUSS THE SITUATION WITH HIJZEN WHO WOULD

ALSO HAVE AVAILABLE ABBOTT'S REPORT. MYERSON

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Message Attributes

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